

## 6 banks fund SMOC project: little loans for small businesses

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WORCESTER - The South Middlesex Opportunity Council, a social services agency that specializes in providing services to the homeless and drug-addicted, introduced a new financial services division Wednesday.

The division, SMOC Financial Services, is funded by \$1 million from six local banks. It was created to issue microloans to groups of people who might not normally qualify for traditional bank loans, such as minorities, women, veterans and immigrants. The new division will be housed in the MLK Opportunity Center on Chandler Street, which SMOC bought in 2012.

"We're hoping that this new fund will create new economic opportunities, so folks can create new jobs, create new economic vitality to Chandler Street and other parts of the city," said Charles Gagnon, SMOC's chief operating officer. "This will be a key driver in neighborhood revitalization in Worcester and beyond."

The new fund, while it will operate in Worcester, is meant to provide microloans in southern Worcester County and in Middlesex County, both areas which SMOC serves and from where banks supported the new fund. Worcester-based Commerce Bank, Southbridge Savings Bank and Country Bank in Ware all contributed to the fund, as did MetroWest-based banks Middlesex Savings Bank, Mutual One Bank, and Needham Bank.

SMOC executive director James T. Cuddy said that SMOC encounters dozens of possible businesses every day that could benefit from microloans, citing daycare and weatherization businesses specifically.

The loans can be as small as \$1,000, and as large as \$25,000 for a more established business. All loans will be accompanied with extensive and long-lasting technical support, he said, and SMOC will track the progress of each loan with specialized software. Overseeing the fund will be loan fund manager Deidra MacLeod-Richardson, who most recently worked for a similar microloan fund in Boston's Dorchester neighborhood.

"It's uplifting, in a spiritual sense, that you have six banks paying in \$1 million to a fund whose ultimate goal is the growth of small businesses," said Richard A. Shiels Jr., a partner in the Worcester law firm Bowditch & Dewey. "It's great on the business end, and it's great on the social welfare end."